

Message Text

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71

ACTION AF-18

INFO OCT-01 ARA-16 ISO-00 SCS-03 SCA-01 SY-03 L-03 H-03

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PRS-01 SP-03 PPT-02 DRC-01 /106 W

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R 091147Z APR 74

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 3477

INFO AMEMBASSY COTONOU

AMEMBASSY BOGOTA

AMEMBASSY PORT OF SPAIN

AMEMBASSY QUITO

C O N F I D E N T I A L LAGOS 2927

E.O. 11652: GDS

TAGS: ENRG, NI

SUBJ: PETROLEUM: RISE AND FALL OF CAYMAN INTERNATIONAL

REFS: COTONOU 0490 NOTAL

1. IN SUMMER 1973, DR. CARL L. LANGFORD BEGAN WORKING IN LAGOS AS PRESIDENT OF CAYMAN INTERNATIONAL OF AFRICA (NIGERIA) LIMITED. HE WAS JOINED SHORTLY THEREAFTER BY DR. JAMES T. HARRIS, JR. (WHO SAYS HE WAS NOMINALLY SALARIED EMPLOYEE WITH TITLE OF VICE-PRESIDENT), AND TOGETHER THEY ATTEMPTED CREATE ROLE FOR CAYMAN IN NIGERIAN OIL INDUSTRY. LANGFORD IS TRINIDADIAN FORMER RESIDENT OF US (SEE STATE 233192) WHO CLAIMS PREVIOUS OIL INDUSTRY EXPERIENCE. HARRIS IS A BLACK AMERICAN WELL AND FAVORABLY KNOWN TO EMBASSY AS LAGOS-BASED REGIONAL REPRESENTATIVE 1971-73 OF AFRICAN-AMERICAN INSTITUTE. HE HAS NO PREVIOUS OIL EXPERIENCE.

2. ACCORDING LANGFORD, CAYMAN INTERNATIONAL OF AFRICA IS PART OF CAYMAN INTERNATIONAL EXPLORATION COMPANY OF HOUSTON, CONFIDENTIAL

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TEXAS WHICH IS OWNED BY CAYMAN CORPORATION OF PALOS VERDES,

CALIFORNIA, AND HAS ACTIVE PROGRAMS IN COLUMBIA AND ECUADOR. INITIALLY IN THE FEDERAL PALACE HOTEL, CAYMAN OFFICES HAVE BEEN TWICE MOVED TO LEASED BUILDINGS. THE MOST RECENT, OCCUPIED IN JANUARY 1974, HAD TEN OR MORE OFFICES AND TWO BOARD ROOMS. PROMINENTLY LOCATED ON AWOLOWO ROAD IN IKOYA, THE PRESTIGIOUS NEW BUILDING BROUGHT THE CAYMAN NAME TO THE ATTENTION OF MANY PASSERS BY. A DETACHED WING OF THE BUILDING WAS SUBLET TO DOWELL-SCHLUMBERGER.

3. THE COMPANY'S STRATEGY HAS APPARENTLY BEEN TO ACQUIRE A PHYSICAL PRESENCE FROM WHICH TO DEVELOP CERTAIN LINES OF BUSINESS. AT ONE TIME OR ANOTHER, LANGFORD AND HARRIS HAVE TOLD EMBOFFS ABOUT POSSIBLE OIL CONCESSION IN NIGERIA (LAGOS 8322, 1847) AND DAHOMEY (LAGOS 0187, 0647, 1845), ABOUT THEIR ATTEMPTS TO REPRESENT CRUDE OIL BUYERS, TO OBTAIN CONTRACTS FOR ONSHORE AND OFFSHORE DRILLING RIGS WHICH CAYMAN WOULD BRING TO NIGERIA, TO ENTER OILFIELD SUPPLY BUSINESS IN PARTNERSHIP WITH CERTAIN NIGERIANS, AND TO WORK WITH VARIOUS US FIRMS INTERESTED IN DOING BUSINESS HERE. THE EMBASSY IS NOT AWARE THAT ANY OF THESE ATTEMPTS HAS SUCCEEDED, AND (EXCEPT FOR NOMINAL FEES POSSIBLY CHARGED FOR SERVICES TO VISITING BUSINESSMEN) CAYMAN OF AFRICA HAS HAD NO VISIBLE INCOME TO DATE.

4. ON MARCH 19, POLICE EVICTED CAYMAN AND DOWELL-SCHLUMBERGER FROM THEIR OFFICES, APPARENTLY AS A RESULT OF AN UNSETTLED DISPUTE BETWEEN CAYMAN AND THE LANDLORD. HARRIS SOUGHT AND OBTAINED EMBASSY PERMISSION FOR TEMPORARY STORAGE OF CAYMAN'S FURNITURE IN THE EMBASSY WAREHOUSE. SOME WAS REPOSSESSED BY FURNITURE COMPANIES; REMAINDER WAS LIQUIDATED AT LANGFORD'S REQUEST. EMBOFFS HAVE NOT SUBSEQUENTLY SEEN OR HEARD FROM LANGFORD WHOSE ONLY KNOWN WHEREABOUTS IN CARE OF LOCAL PHILANTHROPY INSURANCE COMPANY OF WHICH IS REPORTEDLY DIRECTOR.

5. EMBASSY HAS RECEIVED SEVERAL INQUIRIES ABOUT CAYMAN, E.G. FROM VISITING OIL BUYERS WHO FOUND CAYMAN OFFICES LOCKED AND A YOUNG NIGERIAN WHO HAD RESIGNED FROM A GOVERNMENT MINISTRY TO WORK FOR CAYMAN. A NIGERIAN BUSINESSMAN ALLEGED THAT LANGFORD DEFRAUDED HIM OF \$3,000 IN JANUARY 1974 BY BRINGING HIM TO EMBASSY AND ASKING HIM TO WAIT IN LOBBY WHILE LANGFORD ALLEGEDLY EXCHANGED THE MONEY IN EMBOFF'S OFFICE
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(WHICH OF COURSE HE DID NOT).

6. HARRIS LEFT NIGERIA MARCH 26 AFTER TELLING EMBOFF HE HAD SEVERED ALL CONNECTION WITH CAYMAN AND HAD BEEN ADVISED BY A NIGERIAN GOVERNMENT OFFICIAL THAT LANGFORD WOULD SOON BE IN TROUBLE WITH THE AUTHORITIES. HARRIS ALSO SAID THAT LANGFORD HAD BEEN USING HIS OWN MONEY TO GET CAYMAN STARTED AND THAT HE (HARRIS) HAD BEEN UNPAID FOR HIS MORE THAN SIX MONTHS WORK FOR

LANGFORD.

7. EMBASSY HAS NOT PREVIOUSLY QUESTIONED CAYMAN OF AFRICA'S BONAFIDES. DESPITE UNORTHODOX APPROACH TO OIL BUSINESS, CAYMAN OF AFRICA APPEARED TO BE OPERATING AT LEAST WITH BLESSING OF US PARENT CORPORATION. TWO FIRMS KNOWN TO EMBASSY (INTERNATIONAL HARVESTER AND DOWELL-SCHLUMBERGER) REQUESTED HOME OFFICES TO INVESTIGATE CAYMAN, AND BOTH RECEIVED REPORTS FROM US THAT LANGFORD WAS CAYMAN'S LEGITIMATE REPRESENTATIVE IN NIGERIA. VISITORS FROM ANOTHER FIRM (HERCLUES INC.) WORKED WITH LANGFORD AND HARRIS WHILE IN NIGERIA AT THE DIRECTION OF THEIR HOME OFFICE IN WILMINGTON, DELAWARE.

8. EMBASSY HAS NOT, HOWEVER, EVER MET EMPLOYEE OF CAYMAN FROM US, WHICH MIGHT BE EXPECTED OF US OIL COMPANY SETTING UP OFFICES HERE FOR FIRST TIME. FOREGOING CHRONICLE RAISES OTHER QUESTIONS FOR WHICH EMBASSY HAS NO IMMEDIATE ANSWERS. WHEREAS LANGFORD NOW INCOMMUNICADO, WE DO NOT HAVE BENEFIT HIS VERSION OF LATEST DEVELOPMENTS. FOR THE PRESENT, HOWEVER, CAYMAN HAS DISAPPEARED FROM VIEW.
REINHARDT

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